

NEW APPLICATION

BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

ROBERT "BOB" BURNS - Chairman
ANDY TOBIN
BOYD DUNN
SANDRA D. KENNEDY
JUSTIN OLSON

In the matter of:

Kyusun Kim (CRD #2864085),

Respondent.

) DOCKET NO. S-21068A-18-0417

) **AMENDED NOTICE OF OPPORTUNITY FOR**
) **HEARING REGARDING PROPOSED ORDER**
) **OF REVOCATION**

NOTICE: EACH RESPONDENT HAS 10 DAYS TO REQUEST A HEARING

EACH RESPONDENT HAS 30 DAYS TO FILE AN ANSWER

The Securities Division ("Division") of the Arizona Corporation Commission ("Commission") alleges that respondent Kyusun Kim ("Kyusun") has engaged in acts, practices, and transactions that provide grounds for revocation under the Securities Act of Arizona, A.R.S. § 44-1801 *et seq.* ("Securities Act") and the Arizona Investment Management Act, A.R.S. § 44-3101 *et seq.* ("IM Act").

I.

JURISDICTION

1. The Commission has jurisdiction over this matter pursuant to Article XV of the Arizona Constitution, the Securities Act and the IM Act.

II.

FACTS

2. Kyusun was registered with the Commission as a securities salesman since January 1, 2007, except for when he changed employments, and voluntarily terminated his registration on April 18, 2017.

3. Kyusun was licensed with the Commission as an investment adviser representative on May 5, 2016, through his employment with Sandlapper Wealth Management, LLC ("Sandlapper").

1 Sandlapper filed a Uniform Termination Notice for Securities Industry Registration, Form U5 on or
2 about August 31, 2018, which terminated Kyusun's license as an investment adviser representative.

3 4. On May 7, 2018, Kyusun entered into a settlement through a Financial Industry
4 Regulatory Authority ("FINRA") Letter of Acceptance, Waiver and Consent ("AWC") which was
5 accepted by FINRA on June 26, 2018.

6 5. According to the AWC, Kyusun is permanently barred from association with any
7 FINRA members for violating NASD Rules 2310 and 2110, and FINRA Rules 2111 and 2010 by
8 making unsuitable recommendations to customers. Further, Kyusun is barred from association with
9 any FINRA members for violating NASD Rules 3110 and 2110, and FINRA Rules 4511 and 2010
10 by falsifying the books and records.

11 6. Kyusun is not currently registered or licensed with FINRA or the Commission as a
12 salesman or investment adviser representative.

13 III.

14 REMEDIES PURSUANT TO A.R.S. § 44-1962

15 (Denial, Revocation, or Suspension of Registration of Salesman; Restitution, Penalties, or other 16 Affirmative Action)

17 7. FINRA's AWC order which permanently barred Kyusun from association with any
18 FINRA member is grounds to revoke Respondent's registration as a securities salesman with the
19 Commission pursuant to A.R.S. § 44-1962(A)(8).

20 8. Notwithstanding that Kyusun is not currently registered with the Commission as a
21 securities salesman, under A.R.S. § 44-1963 (D) Kyusun continues to be subject to the Commission's
22 jurisdiction for two years after the termination of his registration for denial, suspension or revocation of
23 his registration in connection with conduct that began before the termination of his registration.
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IV.

REMEDIES PURSUANT TO A.R.S. § 44-3201

(Denial, Revocation, or Suspension of Investment Adviser or Investment Adviser Representative License; Restitution, Penalties, or other Affirmative Action)

9. FINRA's AWC order which permanently barred Kyusun from association with any FINRA member is grounds to revoke his license as an investment adviser representative with the Commission pursuant to A.R.S. § 44-3201(A)(10). Specifically, Kyusun was permanently barred by FINRA for falsifying books and records and making unsuitable recommendations to customers. Therefore, revocation of Kyusun's license as an investment adviser would be in the public interest.

10. Notwithstanding that Kyusun is not currently licensed with the Commission as an investment adviser representative, under A.R.S. § 44-3202 (D), Kyusun continues to be subject to the Commission's jurisdiction for two years after the termination of his license for denial, suspension or revocation of his license in connection with conduct that began before the termination of his license.

V.

REQUESTED RELIEF

The Division requests that the Commission grant the following relief:

1. Order the revocation of Kyusun's registration as a securities salesman pursuant to A.R.S. § 44-1962;
2. Order the revocation of Kyusun's license as an investment adviser representative pursuant to A.R.S. § 44-3201; and
3. Order any other relief that the Commission deems appropriate.

VI.

HEARING OPPORTUNITY

Respondent may request a hearing pursuant to A.R.S. § 44-1972 and 44-3212 and A.A.C. R14-4-306. **If Respondent or Respondent Spouse requests a hearing, the requesting respondent must also answer this Notice.** A request for hearing must be in writing and received by the Commission

1 within 10 business days after service of this Notice of Opportunity for Hearing. The requesting
2 respondent must deliver or mail the request to Docket Control, Arizona Corporation Commission, 1200
3 W. Washington, Phoenix, Arizona 85007. Filing instructions may be obtained from Docket Control by
4 calling (602) 542-3477 or on the Commission's Internet web site at
5 <http://www.azcc.gov/divisions/hearings/docket.asp>.

6 If a request for a hearing is timely made, the Commission shall schedule the hearing to begin 20
7 to 60 days from the receipt of the request unless otherwise provided by law, stipulated by the parties, or
8 ordered by the Commission. If a request for a hearing is not timely made the Commission may, without
9 a hearing, enter an order granting the relief requested by the Division in this Notice of Opportunity for
10 Hearing.

11 Persons with a disability may request a reasonable accommodation such as a sign language
12 interpreter, as well as request this document in an alternative format, by contacting Kacie Cannon,
13 ADA Coordinator, voice phone number (602) 542-3931, e-mail kcannon@azcc.gov. Requests
14 should be made as early as possible to allow time to arrange the accommodation. Additional
15 information about the administrative action procedure may be found at
16 <http://www.azcc.gov/divisions/securities/enforcement/AdministrativeProcedure.asp>

17 VII.

18 ANSWER REQUIREMENT

19 Pursuant to A.A.C. R14-4-305, if Respondent or Respondent Spouse requests a hearing, the
20 requesting respondent must deliver or mail an Answer to this Notice of Opportunity for Hearing to
21 Docket Control, Arizona Corporation Commission, 1200 W. Washington, Phoenix, Arizona 85007,
22 within 30 calendar days after the date of service of this Notice. Filing instructions may be obtained
23 from Docket Control by calling (602) 542-3477 or on the Commission's Internet web site at
24 <http://www.azcc.gov/divisions/hearings/docket.asp>.

25 Additionally, the answering respondent must serve the Answer upon the Division. Pursuant
26 to A.A.C. R14-4-303, service upon the Division may be made by mailing or by hand-delivering a

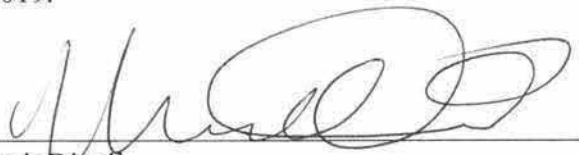
1 copy of the Answer to the Division at 1300 West Washington, 3rd Floor, Phoenix, Arizona, 85007,
2 addressed to Margaret Lindsey.

3 The Answer shall contain an admission or denial of each allegation in this Notice and the
4 original signature of the answering respondent or respondent's attorney. A statement of a lack of
5 sufficient knowledge or information shall be considered a denial of an allegation. An allegation not
6 denied shall be considered admitted.

7 When the answering respondent intends in good faith to deny only a part or a qualification of
8 an allegation, the respondent shall specify that part or qualification of the allegation and shall admit
9 the remainder. Respondent waives any affirmative defense not raised in the Answer.

10 The officer presiding over the hearing may grant relief from the requirement to file an Answer
11 for good cause shown.

12 Dated this 10th day of February 2019.

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15 Mark Dinell
16 Acting Director of Securities
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